GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1743
ANSWERED ON:01.08.2003
BANK INTEREST RATES
PAWAN KUMAR BANSAL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have a plan to safeguard the interests of senior citizens, pensioners and widowers against the falling rates of interest on investments;

(b) whether thee is any proposal to include charitable societies/trusts in this category; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a): Reserve Bank of India (RBI) has reported that interest rates of banks have been deregulated. However, based on the request received from the senior citizens and their organisations, since April, 2001 banks are permitted to formulate fixed deposit schemes specifically meant for senior citizens offering higher and fixed rates of interest as compared to normal deposit of any size.

(b) & (c): From April 21, 2003 charitable institutions have been permitted to invest in the 8% savings (Taxable) Bonds, 2003.